Sambo's weighs new name, upgraded fresh food image

By Charles Bernstein

CARPINTERIA, Calif.—A new name, an upgraded image to put it in the league of Coco's and Marie Callender's, and an emphasis on fresh food are in prospect, according to one projected plan being eyed by Sambo's.

A converted Sambo's test restaurant was slated to open at presstime in nearby Santa Barbara to unveil a new format. Other conversions would hinge on the success of this one and on Bankruptcy Court reorganization approval.

"Sambo's has valuable properties which can prosper under a different name and format," said a source close to the company. "This is why a new name and image are essential."

A Sambo's spokesman would confirm only that new chairman and ceo Robert Luckey and new president and chief operating officer Roger Kisiel have been traveling to virtually all 668 remaining Sambo's restaurants over the past two months to evaluate the situation. They are studying a number of options, he said.

Luckey and Kisiel were unavailable for comment and indicated they might discuss future plans in a few months when a final decision is reached.

Sambo's filed Chapter XI reorganization bankruptcy proceedings last Nov. 27 after closing 450 restaurants and defaulting on over $100 million principal and interest payments that lenders demanded.

Under the upgrading option that is likely to be adopted, Sambo's would take itself somewhat out of the competitive battle that it has been losing severely with Denny's, Big Boys and others and put itself into a new market niche that is also being eyed by a number of other chains.

A total menu change is projected with fresh barbecued chicken, fresh baked goods and "fresh everything else" at each restaurant, the source said. "They'll probably have to alter the equipment, using their existing convection ovens and ranges as a base," he said.

Luckey is said to be convinced that Sambo's future rests on its ability to start serving "good food in a clean atmosphere." Major remodelings and attention to sanitation conditions are likely.

Luckey is also said to feel that closing 450 restaurants so abruptly was a mistake, giving Sambo's a "terrible image" in too many geographic areas.

The idea of completely changing the name would be to initiate a new image in the customer's mind. There was no indication of what the new name would be, but it is not likely to be either No Place Like Sam's (used for the Eastern Sambo's) or Jolly Tiger (used for a handful of units).

PepsiCo buys Taco Charley sites

By Joe Edwards

PURCHASE, N.Y.—PepsiCo Inc. plans to purchase 46 Taco Charley sites in three western states and convert them into Taco Bell units.

Under terms of the agreement in principle to acquire the restaurants, PepsiCo would issue $1.1 million worth of its capital stock in exchange for 700,000 shares of Taco Charley stock. PepsiCo would also assume Taco Charley's liabilities, which include $3.1 million in long- and short-term debt as of Feb. 27, according to an unaudited financial statement.

Most of the Taco Charley sites are in northern California; several are in Arizona and Nevada. In a separate agreement, Calny Food Services based in San Mateo, Calif., a major Taco Bell franchisee with 46 units, would buy the equipment and franchise rights for at least 11 of the acquired restaurant sites.

Calny would pay PepsiCo $2.1 million.

PepsiCo would convert the others and operate them as company-owned restaurants. Through its food-service segment, PepsiCo owns, operates and franchises about 1,400 Taco Bell units.

Both the acquisition of the Taco Charley sites by PepsiCo and the sale of 11 of those units to Calny are subject to the execution of definitive agreements, approval of the board of directors of each company and the approval of Taco Charley shareholders. The value of the transaction to Taco Charley shareholders is $1 5/8 per share.

Taco Charley was founded in 1975 by Calny Food Services but was spun off by Calny as an independent operation when the Securities and Exchange Commission last Sept. 30 approved a Taco Charley stock distribution to Calny shareholders. Until that time, Taco Charley was a wholly owned Calny subsidiary.

Calny had been a Taco Bell franchisee since 1969 and now operates 46 of those restaurants in addition to its other holdings. When Taco Bell began de-emphasizing its franchising program in 1972, Calny began a diversification program by acquiring 22 buffet-style restaurants operating as Perry's Smorgy Boys and Okie Frijole. Those restaurants were converted to Taco Charley units.

Taco Bell's standard franchise agreement prohibits franchisees from owning or operating other Mexican fast-food restaurants. In 1974, however, Taco Bell and Calny amended the franchise agreements to allow Calny to operate other Mexican fast-food units, providing they were no closer than one mile to Taco Bell restaurants opened after July 15, 1974.

Operating income for PepsiCo's food-service segment, including Taco Bell and Pizza Hut, rose 28% on a sales increase of 13% for the first quarter ended March 20.

Taco Charley lost a little more than $1 million on sales of $11 million in the fiscal year ended Feb. 28, 1981, the last period for which figures are available.

Calny Food Services reported net income of $610,175 on sales of $19.6 million for the 24 weeks ended last Aug. 15.

Friendly expanding, remodeling units

WILBRAHAM, Mass.—Friendly Ice Cream, with some 625 restaurants, has slowed its growth pace slightly while focusing on remodelings of existing restaurants. This is aimed at producing maximum volumes at each restaurant.

A headline on this page April 26 incorrectly indicated that Friendly is halting growth under its new chief executive officer, James Staggs.

COMMODITIES

Meat prices subject to consumers' whims

NRN Special Report

Both red meat and poultry prices have increased as a result of producers sending fewer cattle and hogs to market in the past two months. Although prices to the operator (and consumer) for meat and poultry have remained higher than average over the past four years, the prices received by the meat and poultry raisers have been eroded by high costs of energy and feed. As a result the producers have cut back on their stocks of animals on feed.

Omaha Steaks International recently sent a memo on price increases to its customers. Conclusions: "Looking into the short term . . . we believe that supplies will remain low on poultry and meat until late fall of 1982. Prices will flatten out in June and July and then take off from August to Dec. 31, 1982. Based upon the information we have now [from our economist], beef prices should move significantly higher from current levels in the next three to six months."

The only alteration in this prediction—which follows that of the U.S. Department of Agriculture and other agricultural economists—is the effect of high prices upon the consumer, for the housewife is the ultimate influence upon both the retail and food-service meat prices. If the consumer perceives meat as "too expensive," she will trade down (to poultry or pasta), and this will result in meat backing up in the supply pipeline. Distributors will lower prices, consumption will pick up again, then prices will bounce back up to the former levels. This will continue until some basic change occurs in either supply or demand on a longer term basis. We call it the "yo-yo" effect on prices.

PRICES AT A GLANCE

	April 30 1981	March 30 1982	April 30 1982
Beans, Green, frozen, regular cut (lb.)	$ 0.42	$ 0.47	$ 0.50
Beans, Pinto, dry, Colorado (cwt.)	$36.00-36.50	$15.00	$15.50-16.50
Beef, Choice, 700-900 lb. Midwest (lb.)	$ 1.05	$ 1.04	$ 1.11
Broilers, Icepack, Grade A, NYC (lb.)	$ 0.4379	$ 0.4690	$ 0.4753
Eggs, Grade A large, white, Chicago (doz.)	$ 0.5975	$ 0.7150-0.7200	$ 0.6350-0.6400
Lettuce, Iceberg, Calif., (carton of 24s)	$ 4.00-6.00	$18.00-20.00	$ 4.00-5.00

Source: *NRN* Research

Prices listed are packers' f.o.b. plant, unless specified, and do not represent the prices paid by the operator. This list is only a reference to indicate price trends against benchmarks of one year ago and one month ago. Products listed are those showing marked movement in price.

Chock Full o'Nuts fights takeover

NEW YORK—In an effort to thwart a hostile takeover attempt, Chock Full o'Nuts, a 35-unit coffee shop chain, was seeking a friendly suitor at presstime.

Leon Pordy, president of the company which gets 80% of its revenues from its coffee processing and distribution business, said his company would consider being acquired by another company or seek its own acquisitions.

The boardroom battle surfaced when Jerry Finkelstein, a New York political figure, bared 6% ownership of the company and asked for representation on the board and a meeting with management.

The takeover attempt centers over prime, undervalued Manhattan real estate. Though the company has suffered some financial setbacks recently, it is cash-rich, according to Pordy, and Finkelstein is said to covet many of the restaurant locations which enjoy leases negotiated years ago at now-exceptional rates.

New York rents have risen in recent years to as high as $60 per square foot, forcing several local food-service companies, which own buildings or hold long-term leases, to flee the restaurant business for a real estate bonanza.

William M. Black, the 79-year-old founder and chairman of Chock Full o'Nuts, who owns 17% of the company with his wife, is leading the takeover defense.

They hired Lazard Frères, a Wall Street investment house, and lawyers Fried, Frank, Harris, Shriver & Jacobson for strategy-making.

Finkelstein owns a heat-transfer equipment manufacturing business and the company which publishes the New York Law Journal and National Law Journal. One son, James, works in the publishing business and is involved in the takeover. Another son, Andrew Stein, who changed his name, is Manhattan borough president and is not apparently involved in the takeover.

Black founded the company in 1926 as a shelled-nuts stand. The coffee is sold locally in supermarkets and to food-service outlets.

HIGHLIGHTS IN THIS ISSUE

18 NRA needs unity and stability following its recent bout of changes—says *NRN* editor Charles Bernstein in an editorial.

25 Upscale burger restaurants are cropping up throughout the country.

26 A knowledgeable wine steward/waiter may be a tremendous help in lifting restaurant wine sales says *NRN* Wine and Spirits columnist Mort Hochstein.

28 Wine and food lovers flocked to Washington, D.C., last month for the annual International Wine and Food Exposition.

43 Advertising on TV, an area several food-service operators are wrestling with, is clarified by marketing expert Barry Klein in this issue's Marketing Memo #6.

99 220 persons consumed great wines from California and feasted on food to match at New York's Four Seasons' seventh annual California Vintners Barrel Tasting.

100 New York State wines were featured at the third annual barrel tasting at Pierce's 1894 Restaurant, where 120 industry leaders, friends and writers gathered in Elmira Heights, N.Y.

120 Howard Johnson's is experimenting with an upscale restaurant.

REGULAR FEATURES

Financial ..... *Pp. 16, 17*
Opinion ..... *P. 18*
People ..... *Pp. 168, 169*
New Products *Pp. 190, 191, 194*
Classified ... *Pp. 196-212*

NATION'S RESTAURANT NEWS
(ISSN 0028-0518)
Published by Lebhar-Friedman Inc.
425 Park Ave., New York, N.Y. 10022
All Correspondence to:
Editorial Offices:
425 Park Ave., New York, N.Y. 10022
Telephone: 371-9400
Cable: LEBHAFRIED

Published biweekly—every other Monday, monthly in December. Subscription rate $15 a year, $28 for two years. Single copy rate $2. Outside U.S.A.: Canada, $16 a year, $30 for two years; Foreign subscriptions (air mail only) $100 per year. Second class postage paid at New York, N.Y., and additional mailing offices.

Copyright 1982 by Lebhar-Friedman Inc. All rights reserved. POSTMASTER: Send change of address to Subscription Department, Nation's Restaurant News, 99 Park Ave., New York, N.Y. 10016.

For change of address, six weeks notice to Subscription Dept., 99 Park Ave., New York, N.Y. 10016 is requested. Give old and new address and zip code. If possible, enclose address portion from cover on previous issue.

Vol. 16, No. 11 May 24, 1982

FINANCIAL NEWS

Ponderosa's net profits surge 234% for fiscal 1982

DAYTON, Ohio—Ponderosa System, the 691-unit budget steakhouse chain, reported net profit rose 234% to $8.45 million for the year ended Feb. 25 compared with the previous year.

Sales rose 8% to $360.4 million for the same period.

The strong performance came at a time of economic decline in many of the company's markets in the industrial Midwest and "unusually severe winter weather," the company's chief executive officer Gerald S. Office Jr. said.

He added that the company operated profitably in the fourth quarter during November, December and February, but lost money during January when heavy storms swept the Midwest.

For the fourth quarter the company posted a net profit of $1.3 million, compared to the loss of $1.1 million during the same period of the previous year.

Sales dropped 0.3% during the quarter to $101.7 million.

Office attributed the performance to "strong operations, effective marketing and strengthened cost controls" as well as alert financial managers who took advantage of recently enacted Federal tax legislation.

Ponderosa's steakhouses experienced real growth during the last fiscal year, increasing customer counts 6.6% over the previous year. The restaurants' food costs dropped from 43.4% to 41.7%, a reflection both of lower beef prices and the company's menu diversification program. The cost of running the restaurants declined from 46.9% to 45.4% of food sales, while the company's general and administrative expenses at the corporate level decreased.

The company's debt-to-equity ratio dropped from 1.45 to 1.19 over the fiscal year.

The company also benefited from the performance of ESI Meats, its wholly owned subsidiary for meat processing and distribution. Heartened by an increase in sales of meat products to third parties over the fiscal year, Ponderosa plans to invest in the expansion of this market.

The company hopes to quadruple ESI's third party sales during the next three to five years. It recently closed a relatively inefficient plant in Florida, consolidating operations in its new facilities in Bristol, Ind.

Heublein, General Cinema still locked in stock battle

BOSTON—The bidding war between Heublein Inc., parent company of Kentucky Fried Chicken Corp., and General Cinema Corp. is continuing. General Cinema now says it owns 14.3% of Heublein common stock, or 3.1 million shares.

General Cinema said it had borrowed $160 million under a 1981 credit agreement to finance the Heublein stock purchases. In a filing with the Securities and Exchange Commission, General Cinema said it had purchased 325,400 shares of Heublein between April 16 and April 22.

The company started purchasing Heublein stock in February. Heublein in turn has been purchasing General Cinema Corp. stock and now owns 3.5% of outstanding shares. Heublein vowed it would fight any attempt for a takeover by General Cinema.

Food-service chain stock analysis table

Name	Symbol	STOCK PRICE: Two Weeks Ended May 7 High	Low	Close	Change Amt	Change Pct	52-Week High	52-Week Low	TREND TO MARKET: Price Trend (% per day) Last 30 Days	Price Trend Last 5 Days	Volume Trend (% per day) Last 30 Days	Volume Trend Last 5 Days	EARNINGS/SHARE: Last Fiscal Year	Latest 12 Months vs Preceding 12 Months Change Amt	Change Pct	5-Year Annual Growth Rate	Profit Margin	P/E Latest P/E Ratio	DIVIDENDS: Indicated Dvd Rate Amt	Yield	Last X-Dvd Date	FINANCIAL POSITION: Last Fiscal Year Revenue	Earnings	Current Ratio	Last Fiscal Year (Per Share) Long Term Debt	Common Stock Equity	Last Balance Sheet Date
		$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil	$ Mil	—	$	$	—
Aca Los A Res	ALAR	6.13	4.75	5.88	1.13	23.68	10.63	3.50	1.00	-.94	3.93	10.42	.47	-.21 Q	-50.0	6.0	4.3	28.0	.00	.0	01-06-81	27.7	1.2	2.4	5.7	3	1081
Am Motor Inns	INN	18.38	17.00	17.50	.38	2.19	21.88	10.00	-.25	-.87	-2.88	-9.73	1.66	.36 S	24.8	34.0	6.3	9.7	.22	1.3	01-26-82	142.3	8.9	1.5	15.6	11	0781
ARA Services	ARA	27.13	25.38	27.00	1.38	5.37	36.00	23.50	-.15	.10	3.75	43.04	4.00	-1.35 Q	-26.2	-1.0	1.5	7.1	2.00	7.4	05-25-82	2915.9	45.1	1.2	21.0	44	0981
Assoc Hosts	AHST	6.50	6.38	6.38	-.13	-1.92	8.63	4.88	.03	-.93	-4.72	-24.22	.66	.13 S	22.0	-8.0	2.6	8.9	.12	1.9	03-02-82	79.9	2.1	1.5	6.4	7	0981
Beefstk Char	BSCC	6.50	6.00	6.38	.88	15.91	6.50	2.88	1.19	-.69	.33	-10.72	.62	.16 Q	32.6	32.0	2.4	9.8	.00	.0	00-00-00	86.2	2.1	1.2	1.2	3	1081
Bob Evans Farms	BOBE	26.75	25.00	25.25	-1.75	-6.48	27.00	17.75	.06	-1.26	-1.37	-9.29	1.40	.19 N	13.5	26.0	8.0	15.9	.40	1.6	05-10-82	147.0	11.8	1.9	.0	6	0481
Bonanza Intl Inc	BNZA	1.63	1.38	1.63	.06	4.00	6.88	1.06	-.05	-.22	2.80	45.52	-3.33	-3.32 Q	NC	-67.0	-61.8	NE	.00	.0	00-00-00	25.9	1.1	1.6	12.9	5	1280
Brock Hotel Cp	BHC	17.50	14.25	17.25	2.38	15.97	17.50	9.88	.48	2.82	-.56	-4.12	.59	.33 Q	103.1	24.0	4.3	26.5	.10	.6	03-08-82	165.1	7.1	1.2	11.0	4	1281
Cainy Food	CLNY	8.50	8.00	8.25	.00	.00	10.34	7.16	.11	-.84	.42	-8.33	.90	-.19 N	-16.6	7.0	2.2	8.7	.20	2.4	04-29-82	41.7	.9	.4	9.6	4	0281
Carrols Develop	CRL	6.38	5.38	6.00	.38	6.67	7.63	3.97	.58	.00	4.17	-64.53	.86	.72 N	163.6	35.0	2.4	5.2	.09	1.5	12-24-81	75.6	1.8	.7	10.1	5	0581
Chart House	CHHO	22.25	21.25	21.50	-.63	-2.82	22.88	15.25	.29	-.28	-3.09	-12.61	2.03	.27 Q	15.2	14.0	5.0	10.5	.60	2.8	12-24-81	312.5	15.2	1.1	12.3	9	1280
Chi-Chis	CHIC	26.25	23.88	25.00	1.63	6.95	27.25	15.13	.53	-.79	-.17	-14.06	.46	.33 N	94.2	35.0	14.1	36.8	.00	.0	06-02-81	14.9	2.1	3.1	1.7	2	0481
Ch Full O Nut	CHF	14.38	13.25	13.88	.13	.91	14.38	8.63	.80	.17	.90	-22.69	.66	-.36 S	-42.8	24.0	2.7	28.9	.40	2.9	12-14-81	118.7	3.2	3.4	.8	5	0781
Churchs Fr Ch	CHU	33.50	32.25	32.25	-1.00	-3.01	37.38	25.00	.23	-.85	-2.08	-2.91	3.52	.34 Q	10.8	18.0	10.8	9.3	1.00	3.1	04-26-82	412.1	44.6	1.9	1.0	15	1281
Cindys Inc	CNDYC	3.13	2.88	2.88	-.25	-8.00	3.63	2.50	-.21	-1.81	-.59	36.83	-1.43	-1.09 F	NE	NE	-17.3	NE	.00	.0	00-00-00	16.8	-2.9	.0	6.2	0	1280
Collins Foods	CF	16.25	15.13	16.00	1.00	6.67	16.25	10.31	.47	-.35	1.50	-3.27	1.56	.63 N	41.4	13.0	2.8	7.4	.24	1.5	03-25-82	265.2	7.5	1.4	10.6	13	0481
Consul Corp	CNSL	7.50	7.00	7.00	-.13	-1.75	10.13	5.25	.32	-2.12	-.08	-1.63	-.08	.12 S	NC	NE	-1.5	58.3	.00	.0	00-00-00	6.8	-.1	.8	.6	1	0581
Cracker Barrel	CBRL	10.75	9.00	10.75	1.75	19.44	10.75	7.25	.54	.12	5.52	-26.40	1.00	1.01 S	NC	21.0	3.2	10.6	.00	.0	00-00-00	28.5	.9	1.0	5.4	3	0781
Dennys Inc	DEN	26.75	24.50	25.25	.75	3.06	26.75	14.75	.34	-1.15	-2.81	3.70	1.97	.77 N	49.6	6.0	3.2	10.9	.64	2.5	06-04-82	840.7	26.9	1.5	16.0	13	0681
Dunkin Donuts	DUNK	16.50	15.88	16.50	.25	1.54	18.25	11.13	-.02	.49	-6.70	-22.37	1.82	.28 Q	17.3	19.0	8.3	8.7	.30	1.8	02-05-82	68.7	5.7	1.3	11.4	11	1081
Frischs	FRS	10.50	9.88	10.00	-.13	-1.23	10.50	5.78	.66	-.55	-.84	23.40	1.39	.70 S	63.0	14.0	3.0	5.5	.30	3.0	03-30-82	97.0	2.9	1.2	7.2	13	0581
Hamburg Hamlet	HAMB	5.00	5.00	5.00	.00	.00	8.25	5.00	-.80	-.46	.87	.00	.27	-.15 S	-19.7	-24.0	.7	8.2	.00	.0	00-00-00	28.4	.2	.9	20.9	12	0381
Hardwicke	HAWK	2.88	2.38	2.50	-.38	-13.04	6.75	2.25	-1.00	-.66	-.04	-60.00	-2.22	-3.88 S	NC	-62.0	-11.4	NE	.00	.0	00-00-00	30.6	-3.5	1.4	18.4	8	0981
Hilton Hotels	HLT	39.63	37.13	38.25	.63	1.66	52.25	32.00	.00	-1.25	-2.20	2.93	4.22	-.04 Q	-.9	25.0	20.9	9.6	1.80	4.7	03-01-82	539.3	112.6	2.0	4.5	20	1281
Holiday Inns	HIA	29.75	26.13	29.00	2.75	10.48	33.25	21.88	.07	-.32	.91	7.10	3.66	1.12 Q	42.4	26.0	7.8	7.7	.80	2.8	03-15-82	1765.1	137.4	.8	21.0	25	1281
Holiday Inns A	HIA A	43.00	40.50	43.00	3.75	9.55	48.75	33.00	.14	-.57	-5.04	.00	NA	NA	NA	NA	NA	NA	.00	.0	00-00-00	NA	NA	NA	NA	NA	NA
Horn & Hardart	HOR	17.25	15.88	16.75	-.50	-2.90	17.38	7.28	.54	.34	-5.56	7.40	.87	.09 N	10.0	42.0	3.1	16.9	.00	.0	01-11-82	128.2	4.0	1.8	15.4	6	1280
Hungry Tiger	HTIG	8.75	7.25	8.25	1.00	13.79	9.38	6.00	.53	2.51	-3.95	-3.32	.92	.14 S	16.6	42.0	3.2	8.4	.00	.0	08-24-81	49.9	1.6	.8	5.8	4	0881
Imperial Grp	IMT	1.81	1.69	1.69	.06	3.85	1.81	1.06	.05	-2.29	-2.80	-30.77	.62	-.15 S	-21.1	28.0	2.1	3.0	.14	8.3	02-24-82	8700.9	178.4	.9	.8	3	1080
Intl Dairy Queen	INDQ	11.50	11.25	11.50	.00	.00	13.25	9.25	.16	-.57	-5.31	8.33	1.72	.23 Q	15.7	38.0	6.1	6.8	.00	.0	00-00-00	91.3	5.6	1.1	9.7	6	1181
Int King Tab	IKNG	3.13	2.63	3.13	.13	4.17	3.38	1.75	1.21	4.19	.76	30.89	-.65	.19 S	NE	-43.0	-3.1	NE	.00	.0	10-09-79	32.0	-1.0	.3	5.4	3	0681
JBs Rest	JBBB	7.13	6.25	6.88	.63	10.00	7.13	2.88	1.23	-1.61	-2.11	-56.57	.63	.31 S	75.6	-1.0	3.0	9.5	.16	2.3	05-10-82	36.4	1.1	.9	5.2	5	0981
Jerrico Inc	JERR	21.00	19.00	19.00	-2.00	-9.52	27.63	15.63	-.29	-1.71	-5.39	13.33	1.70	.27 N	17.1	22.0	5.6	10.3	.12	.6	02-01-82	378.2	21.0	1.1	3.7	10	0681
Kapok Tr Inns	KTI	4.00	3.63	4.00	.38	10.34	4.38	3.38	-.02	1.46	1.36	42.86	-.24	-.45 Q	-321.4	-32.0	-2.9	NE	.00	.0	00-00-00	13.8	-.4	3.1	1.9	6	0981
Kelly Johnston	KEJO	19.00	18.00	19.00	1.50	8.57	19.00	10.75	.39	-.59	-2.68	-6.00	.58	.77 N	NC	132.0	5.9	24.7	.00	.0	00-00-00	11.9	.7	.4	.8	1	0381
Lubys Cafe	LUB	30.38	29.00	30.38	1.50	5.19	30.38	23.19	.40	-.03	-.26	-35.64	1.45	.25 S	18.9	23.0	9.1	19.3	.48	1.6	06-07-82	108.2	9.8	1.1	.9	6	0881
Marcus Corp	MRCS	5.75	5.50	5.75	.38	6.98	7.28	5.00	-.15	-.12	-.59	57.35	1.15	.04 N	3.5	7.0	5.8	5.0	.00	.0	08-24-81	105.3	6.1	.8	2.9	9	0581
Marriott Corp	MHS	40.25	37.50	39.50	1.38	3.61	47.00	31.63	-.07	.30	-1.00	11.62	3.20	.55 Q	20.0	31.0	4.3	12.0	.30	.8	03-22-82	1718.7	72.0	.9	22.4	12	1280
McDonalds Cp	MCD	69.13	66.25	67.00	-1.13	-1.65	72.88	56.75	-.18	-.72	-2.28	15.77	6.54	1.01 Q	17.6	18.0	10.5	10.0	1.00	1.5	02-05-82	2184.3	220.9	.7	24.2	28	1280
Morrison Inc	MORR	12.00	11.25	11.50	-.25	-2.13	12.00	8.13	.55	-.20	-.19	-.95	.95	.15 N	16.6	7.0	3.9	11.0	.36	3.1	04-12-82	319.8	12.4	1.3	2.7	7	0581
Mr Steak	MSST	3.38	2.75	3.13	.38	13.64	4.13	2.13	.73	-2.65	8.02	-47.56	.22	.10 Q	76.9	-26.0	.5	13.6	.02	.6	05-29-80	55.7	.3	1.4	3.4	5	0981
Nathans Famous	NATH	1.00	1.00	1.00	.00	.00	1.88	.63	-.19	-.66	3.48	-23.53	-.87	-.42 N	NE	NE	-7.9	NE	.00	.0	00-00-00	21.5	-1.7	.4	.2	2	0381
Oakbrook Cons	OKCO	9.25	9.00	9.25	.25	2.78	12.00	9.00	-.22	-.53	-1.48	.00	1.74	.04 Q	2.5	13.0	1.3	5.7	.32	3.5	12-10-81	133.4	1.7	.8	5.6	13	0981
Orange-co	OJ	9.00	8.25	8.25	-.75	-8.33	11.38	6.88	.04	-1.75	-6.24	-18.40	1.01	.12 S	13.4	25.0	5.4	8.2	.20	2.4	02-22-82	76.2	4.1	1.9	10.2	7	0881
Piccadilly Caf	PICC	18.13	17.75	17.75	.00	.00	19.00	13.50	.23	-1.05	-.76	-25.88	1.30	.14 N	10.7	15.0	6.1	12.3	.48	2.7	03-09-82	127.2	7.8	1.7	.0	6	0681
Pizza Inn	PZA	6.38	5.88	6.13	.13	2.08	11.50	4.75	.58	-.70	-2.91	-9.88	.50	-.08 F	-13.7	-5.0	1.0	12.3	.00	.0	00-00-00	133.5	1.4	.9	12.9	7	1281
Pizza Time Thea	CHKY	32.00	28.00	32.00	4.50	16.36	32.00	18.00	.73	.07	.83	-17.87	.58	.54 F	350.0	81.0	7.2	55.2	.00	.0	00-00-00	11.4	.1	1.3	.4	1	1280
Ponderosa Sys	PON	17.00	14.75	16.50	1.50	10.00	19.75	11.75	.31	.59	4.22	21.10	2.01	1.42 F	240.6	8.0	2.4	8.2	.40	2.4	06-11-82	329.6	2.6	.8	22.3	15	0281
Ramada Inns	RAM	5.88	5.38	5.50	.00	.00	12.50	5.00	-.52	-.47	-1.16	-33.30	-.84	-1.43 F	-242.3	-25.0	-5.5	NE	.12	2.2	10-19-81	366.1	15.1	.8	14.4	6	1280
Restaur Assc	RA	5.50	4.88	5.00	-.13	-2.44	8.25	4.00	.39	-.73	5.19	-8.74	.97	-.14 Q	-15.3	51.0	2.4	6.5	.00	.0	00-00-00	99.2	2.4	1.3	3.2	6	1281
Saga Corp	SGA	29.25	26.38	28.00	1.50	5.66	29.25	16.00	.48	-1.02	-4.19	-8.57	2.36	1.07 N	49.7	18.0	1.4	8.7	.56	2.0	05-17-82	819.0	11.6	.9	9.3	15	0681
Sea Galley	SEAG	10.00	9.63	10.00	.50	5.26	17.88	6.88	.12	.07	2.41	36.55	.68	.08 Q	13.5	55.0	4.5	14.9	.00	.0	06-02-81	22.9	1.3	1.6	2.3	2	1280
Servico Inc	SRVI	10.00	9.50	10.00	.50	5.26	13.00	7.00	-.04	.67	-1.42	-35.96	1.69	.59 F	53.6	21.0	3.5	5.9	.00	.0	00-00-00	114.4	2.9	1.0	50.1	4	1280
Shoneys Inc	SHON	17.38	16.63	17.38	.75	4.51	17.38	11.91	.32	.45	-.03	-11.03	1.03	.24 Q	27.2	21.0	5.5	15.5	.16	.9	03-29-82	269.4	14.8	1.0	2.0	5	1081
Sonesta Hotel	SNSTZ	10.50	10.50	10.50	.00	.00	13.66	9.25	-.19	-.57	-.67	-97.44	.94	-1.30 F	-58.0	64.0	1.4	11.2	.20	1.9	12-28-81	145.0	2.1	.9	27.7	10	1281
Steak n Shake	STAK	2.75	2.50	2.50	-.25	-9.09	3.13	2.31	-.48	-1.44	4.91	-45.11	.06	-.23 S	-79.3	-34.0	.5	41.7	.00	.0	05-17-79	56.5	.3	1.2	4.6	3	0981
Valles Steak	VLE	5.63	5.13	5.50	.38	7.32	7.13	4.25	.12	.79	-2.92	-50.81	-.22	.18 S	NE	-23.0	-.9	137.5	.00	.0	11-01-78	65.6	-.6	1.3	7.8	10	0381
Victoria Stations	VSTA	10.38	9.88	10.38	.38	3.75	11.25	6.25	-.38	.66	-7.27	-12.37	-1.85	2.11 N	NE	-32.0	-4.3	86.5	.00	.0	09-19-79	134.5	-5.8	1.0	9.0	10	0381
Volunteer Cap	VLCC	9.75	9.38	9.75	.00	.00	9.75	6.38	.20	-.03	-2.45	-37.83	.67	.72 Q	200.0	4.0	2.1	12.5	.00	.0	00-00-00	72.7	1.5	.3	13.4	7	1281
Wendys Intl	WEN	18.00	15.75	16.13	-1.75	-9.79	19.25	12.25	.21	-2.04	1.82	-8.36	1.52	.18 F	13.4	29.0	7.5	10.6	.28	1.7	02-22-82	347.0	30.1	.5	1.9	6	1280
Webb Del E	WBB	7.88	7.00	7.38	-.38	-4.84	13.00	4.88	-.53	1.03	-5.39	-.24	.56	.14 F	33.3	-13.0	1.3	13.2	.00	0	11-07-80	414.8	5.3	1.1	16.1	13	1281

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

KEY: NA Not Applicable NC Not Calculable NE Negative Earnings Q First Quarter S-Six months N-Nine months F-Fiscal year
** Other than a quarterly multiple resulting from a fiscal year change.*

Data and Table Provided by Media General Financial Services, Inc., Richmond, VA 23261

FINANCIAL NEWS

Holiday Inns' net falls 11.1% in 1st qtr.

MEMPHIS—Holiday Inns Inc. has reported an 11.1% drop in net income to $24.6 million on a 13.6% revenues increase to $332.5 million for the first quarter ended April 2 compared to the same period a year earlier.

Perkins Inc., the company's restaurant subsidiary, reported customer count increases despite the severe winter weather in the upper Midwest, where most Perkins family restaurants are located, a company spokesman said.

A decision to hold menu prices stable and the costs of other programs designed to improve customer counts led to a decline in margins, he added. Holiday Inns does not break out financial information for its subsidiaries.

Holiday Inns, in releasing its first quarter results, disclosed plans to sell its Delta Steamship Lines Inc. subsidiary, enabling the company to concentrate on businesses related to the hospitality industry. Holiday Inns is the world's largest hotel chain and also operates gambling casinos and restaurants.

Because of the intended sale, Delta's results were reported as discontinued operations. First quarter income from continuing operations increased 48.6% to $20.8 million. The company said the gains came primarily from the "excellent results" achieved by the gaming group, specifically Harrah's Marina hotel-casino in Atlantic City, N.J.

The hotel group reported lower occupancy rates due to economic conditions and a slowing of room-rate increases during the quarter.

EARNINGS REPORT

Company	Period	Period Ended	Total Sales*	% Change	Revenues*†	% Change	Net Income (Loss)*	% Change
Associated Hosts	6 mos.	3/27			$ 40.400	2	$ 1.200	9
	3 mos.	3/27			20.400	– 1	0.653	– 17
Bonanza Int'l	3 mos.	3/31			5.905	– 11	0.015	—
Carl Karcher Ents.	1 yr.	1/29	$200.626	17			6.944	40
	12 wks.	1/29	47.220	7			2.279	97
Wendy's	3 mos.	3/31	365.000	17			8.000	16
Holiday Inns	13 wks.	4/2			332.539	13	24.630	– 11
Horn & Hardart	3 mos.	3/31	47.690	31			0.906	– 19
Jerrico Inc.	9 mos.	3/31	314.969	14			15.742	14
	3 mos.	3/31	102.585	12			4.062	– 4
Judy's Inc.	1 yr.	1/31			49.571	18	0.725	– 46
	3 mos.	1/31			12.839	– 3	(0.320)	—
McDonald's Corp.	3 mos.	3/31			616.737	10	58.583	13
Ogden Corp.	3 mos.	3/31	583.852	6			16.132	– 3
Restaurant Assoc.	3 mos.	3/27			24.706	3	0.379	– 66

Source: *Company earnings reports*

—loss in corresponding period
**In millions*
†In cases where companies do not break out their total sales for all units, revenues are indicated instead. These generally consist of company-owned restaurant sales, franchise fees and rental incomes, royalties and operating income, as well as other miscellaneous incomes, such as interest income and gains on real estate and construction.

McD reports 14% climb in first quarter profits

OAK BROOK, Ill.—McDonald's has reported a 14% net income rise to $58.5 million on a 10% revenues increase to $616.7 million for the first quarter of 1982, ended March 31. Systemwide sales for the quarter increased 8% to $1.7 billion compared to the same period a year earlier.

Sales patterns were "encouraging" in United States and foreign restaurants in light of severe winter weather in this country and uncertain economic conditions worldwide, Fred L. Turner, McDonald's chairman, said.

Turner also said results of McDonald's three major test products were "very encouraging." Chicken McNuggets are now available in 3,400 units, McRib sandwiches in 2,000 units and McChicken sandwiches in 4,200 units.

During the quarter, McDonald's opened 59 new restaurants, most overseas. As of March 31, there were 6,798 McDonald's restaurants operating in the United States and 29 foreign countries.

Sales in McDonald's international division reached $333.4 million in the first quarter, compared to $310.8 million in the same period a year earlier. McDonald's operates 1,207 restaurants in foreign countries, including 391 in Canada.

Funds generated from operations totaled $107 million in the quarter, allowing McDonald's to strengthen its financial resources and lessen its dependence on outside financing, Turner said.

Jerrico profits slip 2% in 3rd quarter

LEXINGTON, Ky.—Jerrico Inc., operator of Long John Silver Seafood Shoppes, said net income for the third quarter, ended March 31, dropped 2% to $4.1 million from the $4.2 million reported for the same quarter of the prior year.

Revenues for the quarter increased 12%, to $102.6 million.

For the nine months ended March 31, net income rose 14%, to $15.7 million, on revenues that increased 14%, to $315 million.

Bad Weather Cited

The company said bad winter weather and the severity of the recession were to blame for the dip in both earnings and average unit sales during the third quarter. Company-operated Long John Silver's fast seafood restaurants had average sales of $107,000 for the quarter, compared to $107,500 for the same quarter last year. Average pretax earnings were $17,800 vs. $20,000 for the prior year.

For the nine months ended March 31, company-operated restaurants had average sales of $339,600, an increase of 2% over the comparable period of the prior year. Average pretax earnings for the nine months remained unchanged

KFC third quarter sales rise

FARMINGTON, Conn.—Sales by company-owned Kentucky Fried Chicken restaurants in the United States rose 7% in the third quarter ended March 31, while overseas KFC units reported sales increases of 5%, according to Heublein Inc.

Heublein, KFC Corp.'s parent company, does not break out figures for its individual operations. Heublein's net income rose 17% to $20.9 million on a 2% jump in revenues to $493.2 million in the quarter.

Druther's loss clarified

Druther's Inc., a regional fast-food chain based in Louisville, lost $1.1 million in the fiscal year ended March 31, 1981. A May 10, 1982, article in *Nation's Restaurant News* inadvertently implied the loss was suffered in fiscal 1982.

Franchisors' outlook tempered by economy

WASHINGTON—Representatives from the nation's fast-food franchisors handed Reaganomics a vote of "no confidence" during the International Franchise Association's annual Legal Symposium earlier this month.

In response to a "straw poll" by IFA Public Affairs director Jerry Wilkerson, most of the nearly 400 franchise chain attorneys and corporate execs assembled for the association's 15th annual legal symposium expressed confidence in their own companies' prospects for profit improvement over the next 12 months.

But at the same time, the franchise industry leaders voiced near-unanimous consensus that neither interest rates nor unemployment will decline during the coming year. In addition, the overwhelming majority of the fast feeders and other franchise segments represented at the meeting predicted that the Federal budget deficit would rise even higher in 1983.

Wilkerson's appraisal of the economic climate was equally bleak.

"Bankruptcies are at the highest level since 1933. The recession is deeper than anyone had predicted," most of the key economic indicators continue to point downward, and the Reagan Administration's economic remedies have not yet begun to work, he told the group.

Although this summer's scheduled tax cut could spark a recovery, that economic upturn will be short-lived if interest rates are not brought under control, Wilkerson predicted.

The best news to surface at the meeting—IFA's announcement that the Senate had voted to declare May 4 "International Franchise Day"—also turned sour when President Reagan declined to sign the association's resolution.

According to one IFA official, key White House aides urged the President to reject the Senate-passed Franchise Day proclamation because it had not attracted the 220 House sponsors to clear that chamber.

In contrast, IFA Washington lawyers Lewis Rudnick and Philip Zeidman painted a more optimistic picture of judicial trends affecting franchisors, noting that Federal and state courts are beginning to recognize basic differences between franchising and other types of business relationships.

Specifically, Zeidman said, the courts have begun to take "a more reasonable approach" toward franchisor "tying" arrangements, dual distribution policies and other practices common among fast-food chains.

Although it would be "imprudent" for franchisors to assume that all "the bars are down" governing these practices, he maintained that judges have become "increasingly more sophisticated in their willingness to regard franchising" as a special relationship which should be subject to special legal ground rules.

Similarly, IFA General Counsel Carl Zwisler III expressed optimism concerning the direction of regulatory and legislative developments affecting franchisors.

Noting the recent budget and personnel cuts at the Federal commission, Zwisler predicted that FTC efforts to enforce the agency's controversial franchise disclosure rule "are likely to be diminished in the foreseeable future."

Although "no attempts are currently under way to repeal or amend the franchising rule," the IFA staff legal chief told the group that FTC's "Bureau of Economics is submitting the rule to cost-benefit analysis."

While it may be some time before the results of this analysis and an outside "pilot study" of the disclosure requirements are available, Zwisler said, "one can sense that there is some skepticism about the rule . . . at least among some of the economists at the commission."

On the legislative front, most of IFA's attention so far this year has been focused on the state scene where "the barrage of franchise legislation" continues at what State Government Affairs director Marc Aprea described as a "frenzied pace."

Aprea, who was called away from the symposium in order to lobby against pending California franchise legislation, submitted a written report to the group noting that "the IFA staff is deeply involved in legislative efforts on 30 bills in 19 states."

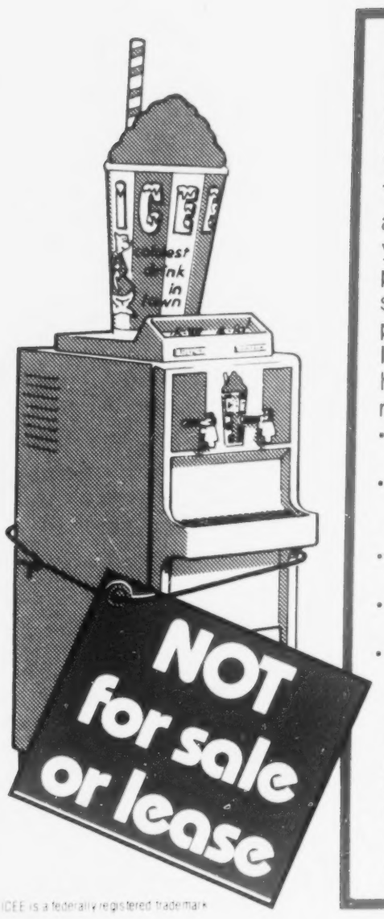
"To date, this type of legislation has been most heatedly fought in Maryland" where a "Mikva-type" franchise termination bill cleared the Senate but fell two votes short of House passage on the final day of this year's session, he said.

But similar proposals have also been introduced already this year in California, Illinois, Kansas, Massachusetts, Michigan, New York and the District of Columbia, and other franchise termination measures are likely to surface.

"The recurring nature of bills dealing with termination, nonrenewal and transfer continue to plague franchisors in the state legislatures," he said. "They just keep coming back over and over again with different sponsors, different members, different players—but pretty much the same hash."

'Bankruptcies are at the highest level since 1933; the recession is deeper than anyone had predicted.'

—Jerry Wilkerson, IFA public affairs director



ICEE is a federally registered trademark

The ICEE® Machine is priceless. You can't buy it or lease it, but you can use it...and that's worth money to you!

There is NO capital expenditure to add an ICEE Machine to your business. And you get Free service on the Machine... plus lots more. All ICEE needs is just six sq. ft. of your floor space to produce the premier frozen carbonated beverage, ICEE! Impressive...look at the highlights from this magnificent merchandising story...

- TV for sixteen straight years (all 3 networks)!
- National magazines (full page full color in "US," "People" and "The Saturday Evening Post"!
- Bear Point Program (an incentive planner's dream)!
- The Bear Club (thousands of members throughout the USA)!
- Flavor and incentive campaigns (for *your* location)!

For the total performance story in YOUR market write:

ICEE/Central Office: Wick Watkins, ICEE Developers, Inc. 3626 Dividend Dr., Garland, TX 75042

ICEE/East Coast: Tom Jackson, National ICEE Corp. 131 Dutch Plaza, 800 Dutch Square Blvd., Columbia, SC 29210

ICEE/West Coast: Ed Steele, Western ICEE Corp. 1330 Knollwood Circle, Anaheim, CA 92801

Cat. No. FPC-12

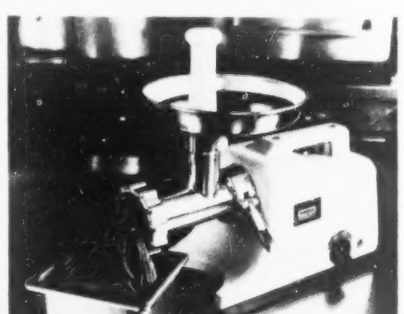
"Chop" Non-stop.

Our Continuous Feed Food Processor will slice, grate, shred, julienne, chop, grind, mix, puree, make pastry dough and more. Durable polycarbonate work bowls for continuous or batch processing, 6 discs, cutting and mixing blades, all stainless and commercial dishwasher proof. Funnel, food pusher and spatula.

Heavy-duty, direct-drive ball bearing ½ h.p. motor. Normal or automatic pulse operation.

Continuous feed kit for FPC-10 Order Cat. No. FP-916

Food Chopper



Grinds 4 lbs. per minute. Heavy duty, ½ h.p., 2-speed motor. Removable, die-cast grinding head. Two heat treated blades and mesh plates, thermal overload protection, 9" feed tray and food stomper.
Cat. FGC-60

WARING COMMERCIAL

Nothing outworks a Waring, made tough in America.

Waring Products Division, Dynamics Corporation of America, New Hartford, CT 06057

American beer consumption hits record high; imports on the rise

NEW YORK—The American thirst for beer continues to grow. In 1981 the average American man, woman and child each quaffed almost 22 6-packs.

More precisely, per person beer consumption in the United States rose 1.2% to 24.6 gal., according to Impact Databank, a liquor industry consulting organization.

According to the company's 1982 Beer Market Review and Forecast last year's United States beer shipments totaled 181.9 million barrels, a 2.2% increase over the previous year.

Impact reaffirmed an earlier prediction that this country's beer market will continue to grow at about 2% each year until 1985. Thereafter, says Impact, a slowdown of population growth in adults will be reflected in slight growth for beer consumption by Americans.

Biggest change in Americans' beer chugging habits in recent years, according to Impact, is a growing preference for imported brands.

Market share for imports hit 2.9% last year, with 5.2 million barrels shipped. In 1975 imported beers had only a 1.7% market share, and in 1960, a 0.4% share.

Actually, noted the beer market review, imported's growth could be slowing. In 1981 it was up 14.3% vs. a growth rate of 22.1% for the past five years.

SHARE OF MARKET

MALT BEVERAGE IMPORTS BY COUNTRY OF ORIGIN*

Country	1960	1965	1970	1975	1980	1981
Netherlands	20.9%	18.7%	27.0%	38.0%	39.2%	40.3%
Canada	28.9	20.5	15.1	24.5	33.5	32.0
Germany	33.9	35.9	34.6	16.4	10.5	11.3
Mexico	2.0	2.4	3.2	6.6	7.2	6.7
Britain	1.4	1.7	3.7	4.0	2.2	2.0
Ireland	2.3	2.2	2.3	1.2	1.4	1.4
Australia	0.1	0.2	0.1	2.4	1.5	1.2
France	0.1	0.1	0.2	0.1	0.7	1.0
Japan	1.0	1.2	1.2	1.2	0.9	1.0
Philippines	1.0	2.5	2.3	1.2	0.5	0.7
China (People's Republic)	—	—	—	**	0.3	0.5
Denmark	6.1	5.9	4.4	1.2	0.6	0.4
Norway	1.1	7.5	4.5	1.6	0.4	0.3
Other	1.1	1.3	1.5	1.5	1.3	1.4

Source: *National Association of Beverage Importers and Impact Wine & Spirits Newsletter, New York, N.Y. Used by permission.*

*Columns may not add up to 100% due to rounding
**Less than 0.5%

From the Netherlands comes 40% of all beer imported into the United States. Dutch shipments to America were up 17.5% last year to 65.2 million gal.

The second-biggest spiggot was the Canadian one. Canadian beers posted a 9.2% gain in volume shipped to the United States last year with 51.9 million gal.

German beers, which in 1970 had a 34.6% share of the United States imported beer segment, had an 11.3% share in 1981.

BEER CONSUMPTION BY ORIGIN

(millions of barrels*)

	1960	1965	1970	1975	1980	1981	Average Annual Compound Growth Rate** 1960-70	1970-75	1975-80	Per cent Change 1980-81
Domestic	87.9	100.4	121.9	148.6	173.3	176.7	3.3%	4.0%	3.1%	2.0%
Imported	0.4	0.6	0.9	1.7	4.6	5.2	8.3	13.5	22.1	14.3
Total	88.3	101.0	122.8	150.3	177.9	181.9	3.3	4.1	3.4	2.2

SHARE OF MARKET TREND

	1960	1965	1970	1975	1980	1981
Domestic	99.6%	99.4%	99.3%	98.9%	97.4%	97.1%
Imported	0.4	0.6	0.7	1.1	2.6	2.9

Source: *Impact Wine & Spirits Newsletter, New York, N.Y. Used by permission*

*One Barrel = 31 gal.
**Based on unrounded data

NJRA menu contest

8 Jersey restaurants honored

SECAUCUS, N.J.—Eight restaurants were honored for outstanding and innovative menus in a champagne brunch awards ceremony at the Aratusa Supper Club here sponsored by the New Jersey Restaurant Association. Significantly, three hotel restaurants were among the winners.

The winners in each category, selected from among 70 entries in the NJRA's second annual menu contest, were the Brass Penny restaurant, Gladstone, N.J., Kingsley's restaurant in the Meadowlands Hilton Hotel, Secaucus, and Les Paris in the Tropicana Hotel, Atlantic City, atmosphere table service restaurants; Bamberger's department store coffee shop in Newark, coffee shops/family restaurants; Caesars Boardwalk Regency Hotel, Atlantic City, special occasions; Caughey's Gourmet Seafood restaurant, East Rutherford, children's menu; The Hideaway, Cherry Hill, promotional materials, and St. Peters Medical Center, New Brunswick, institutional feeding.

The awards were given just before the NJRA's annual Foodservice Exposition April 26-28 at the new Byrne Meadowlands Area, East Rutherford, where all menu entries were displayed.

Criteria for the menu awards, based strictly on the menu itself rather than on the food items mentioned or depicted, were overall appearance, sales appeal, readability, originality and menu "taste appeal."

The judges were Charles Bernstein, editor of *Nation's Restaurant News*; Peter Berlinski, executive editor of *Restaurant Business*; Bob Lape, a television personality and WABC-TV's former "Eyewitness Gourmet," and Richard Ashton, art director of Whitman Studios, a design firm.

Nancy Kelly, NJRA executive vice president and staff chief, and Anthony Caselnova, NJRA convention chairman and former NJRA president, supervised the arrangements.

Judging was carried out at the European restaurant, Lyndhurst, owned by Daniel Radochia and Ed Madsen.

Bull question; Is it live or is it mechanical?

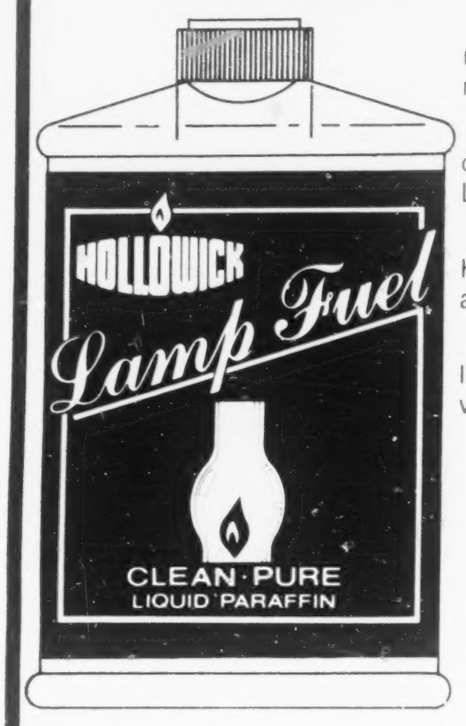
GARFIELD, N.J.—The city attorney is pondering whether a tavern's mechanical bull violates a "no live entertainment" agreement reached last fall by the city and the owners of Copperhead Saloon during a liquor license transfer.

Some city officials think the mechanical bull is a potential threat to personal and public safety and does not belong in a neighborhood tavern.

Tavern manager Dennis Lester has called the bull "a harmless amusement."

For years you've been expressing your satisfaction with our clean burning, quality Lamps and Fuel.

the best has just gotten a whole lot better!



Our improved refining process now produces a fuel which burns noticeably cleaner than before.

We can truly call this new odor-free fuel "The Clean Air Lamp Fuel".

And you can still rely upon Hollowick for the safest Lamps and Fuel available.

Look for our distinctive new label — your guarantee of the very best in lamp fuel.

HOLLOWICK

HOLLOWICK, INC.
P.O. Box 305
Manlius, New York 13104

See us at Booth #1328 NRA Show

FREE HOT WATER!

MUELLER
FRE-HEATER

For more information call or write: PAUL MUELLER COMPANY
P.O. Box 828, Springfield, Missouri U.S.A., 65801
Telephone: Outside MO Toll-free 1-800-641-2830 • In MO Call Collect (417) 831-3000
Cable: Mueller • Telex 43-6427

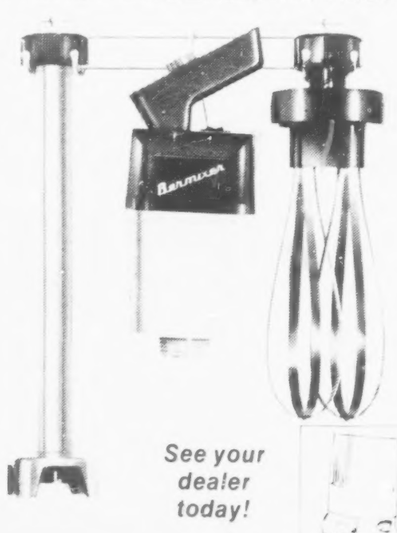
Handy Portable Mixer Saves Prep/Clean-up Time!

Bermixer PORTABLE FOOD MIXER-BLENDER

A great time-saver around any foodservice kitchen!
The heavy-duty Bermixer handles fast small jobs which are awkward and difficult for 30-quart-plus size mixers.
Variable speed motor for multi-purpose use! Lightweight —weighs only 7 lbs.!

TWO INTERCHANGEABLE ATTACHMENTS!

BLENDER
Refried Beans
Guacamole
Sauces
Dressings
Soups
Purees
Simple Syrup



BEATER
Omelets
Instant Potatoes
Whipped Cream
Souffles
Meringues
Pancake Mix
Tuna Salad

See your dealer today!

KKP KEY KITCHEN PRODUCTS
3984 Del Mar Avenue, Loomis, CA 95650
(213) 836-4204

See Us NRA Show/Chicago, Booth #858

GUEST COLUMN

Regrettable dining experiences

The following article on unpleasant dining experiences while flying first class or in a restaurant originally appeared in the ***Frequent Flyer*** *magazine. It was written by Martin B. Deutsch, editor and publisher.*

Let me bid you a warm welcome to the Frequent Flyer Fantasy Farm. This new institution, the FFFF (or 4F to those of us who remember the draft), will be heard from sporadically—whenever the undersigned wants to vent steam. Wishful thinking will play a large part in these meanderings, which were not scheduled to get under way until 1984, as a tribute to George Orwell.

But so many things have been weighing on me, most of them petty and inconsequential, that I just couldn't wait. You'll see what I mean as I proceed. Parenthetically, let me point out that these vignettes or views may or may not directly involve the frequent flyer or frequent flying. They may often touch upon lifestyles (mine or somebody else's) or open wounds. We'll see.

On a recent flight from Chicago to New York, I found myself in first class (due to a last-minute upgrade), eagerly awaiting at least a tolerable dining experience at 35,000 ft. I was hungry and in no mood to quibble (I thought) over the gourmet qualities of the tray's contents. The choices were chicken and steak, and I chose the former. I have not had many quality encounters with inflight beef. The chicken, to get right down to the bone of contention, was inedible. Dry and stringy white meat was encased in a barely warm, greasy raincoat of skin that was covered with a congealing white envelope of sauce. (The topping had some redeeming value as a potential competitor for Krazy Glue.) The string beans were cold, soggy and tasteless; the potatoes undercooked. I sent back the tray and decided to wait until I got home to eat. I asked the stewardess, had this become typical first-class fare? She replied, "It's a new dish on this flight . . . I wouldn't eat it." Out of charity, I won't identify the airline in this case—it could have been an off night in the kitchen. But I wish the carriers would heed this not particularly original but oft-heard plea: If you have to serve food, keep it simple and edible. How about a sandwich (hot or cold) or a salad as one of the choices on short domestic flights?

If you have to serve food, keep it simple and edible. How about a sandwich (hot or cold) or a salad as one of the choices on short domestic flights?

Down on the Fantasy Farm, we'd prepare a menu for New York—Chicago of London broil and carved hot pastrami. Or lasagne and a fresh tuna salad. Or a refund.

There's an alarming trend for high and often overpriced restaurants to force several sittings for dinner. They'll only take reservations for 7 p.m. or 9 p.m. which, for starters, poses a scheduling problem, especially with business diners. But this particular constraint is outweighed by the uneasiness that pervades the table when they're trying to move you out. Especially if you're not ready or willing to go.

I recently ate out with the former head of advertising/public relations for El Al. He chose a neighborhood Italian place he regularly frequents on Manhattan's East Side—the Parma, on Third Avenue between 79th and 80th Streets. We were there for our 7 p.m. reservation and had a very good pasta dinner with a bottle of wine. By 8:15, the waiters began to move the dishes away a little more quickly than was necessary, and 20 minutes later they tried to part me from my half-finished cappucino.

A man who could have been the manager, maitre d' or whatever stalked by several times and shot irritated glances in our direction. My guest finally asked him if there was a problem. He said yes; he had other people to feed. This kind of behavior—and attitude—is unforgivable in a coffee shop, let alone in a class eatery. The intimidation, rudeness and continual pressure are even harder to understand when the table for a rather basic spaghetti dinner exceeds $50 for two people.

Television ad spending on the rise

NEW YORK—Television advertising by restaurants and drive-ins rose 22%, to $351.2 million, in 1981, the Television Bureau of Advertising reported.

The top 15 television advertisers in the restaurant and fast-food category spent a total of $245 million, an increase of 25% over the year before. (See chart.)

The top local retail advertiser on televison was McDonald's, spending $75 million, according to the bureau, a sales and marketing organization.

Overall, 1981 television advertising by local retailers increased 13%, to an estimated $2.3 billion.

The largest percentage gain for any individual retail business category was 48% for sport, hobby and toy stores, whose 1981 expenditures totaled $34.5 million.

LOCAL TELEVISION AD SPENDING BY RESTAURANT & FAST FOOD CHAINS

Company	1980	1981	% Change
1. McDonald's	$ 66,612,900	$ 75,219,100	+ 13
2. Red Lobster Inns	16,319,600	24,578,700	+ 51
3. Long John Silver's	15,127,700	20,161,900	+ 33
4. Burger King	16,421,400	18,389,600	+ 12
5. Wendy's	10,301,900	15,819,700	+ 54
6. Kentucky Fried Chicken	11,969,000	15,290,100	+ 28
7. Pizza Hut	5,295,400	14,005,800	+ 164
8. Taco Bell	8,035,300	10,396,700	+ 29
9. Jack-in-the-Box	8,326,300	9,799,600	+ 18
10. Hardee's	7,685,800	8,330,700	+ 8
11. Sizzler	6,416,000	7,873,000	+ 23
12. Arby's	7,944,200	7,192,700	− 9
13. Dairy Queen	6,127,800	6,377,400	+ 4
14. Burger Chef	4,968,700	6,168,400	− 24
15. Denny's	4,376,000	5,277,000	+ 21
Total Top 15	$195,928,000	$244,880,400	+ 25

Source: *Broadcast Advertisers Reports (BAR) 75 market data compiled by the Television Bureau of Advertising (TvB).*

Playboy Enterprises backs Hugh Hefner

ATLANTIC CITY—Playboy Enterprises said it would sell its hotel-casino here rather than sever ties with company founder and principal owner Hugh Hefner.

The company took the position that it might sell its 45.7% interest in the casino following a recent ruling by the New Jersey Casino Control Commission that Playboy Enterprises was unsuitable for a casino license as long as Hefner was associated with the company. The commission based its ruling primarily on Hefner's involvement in a bribery incident 20 years ago.

Playboy recently also lost its licenses for several casinos in England because of violations of credit regulations.

In its proposal to the gaming commission, Playboy asked for a 60-day period to arrange the sale of the $150 million Atlantic City project, in which it has invested $40 million. Its partner in the casino, Elsinore Corporation, has qualified for the license and could buy Playboy's interest, which the company put into escrow.

Playboy, through its lawyer, indicated it would probably appeal the commission's ruling to the courts.

Hefner owns close to 70% of Playboy Enterprises, whose holdings, besides the interest in the casino, include *Playboy* magazine, *Games* magazine, a division that licenses the Playboy logo, various real estate holdings and some $40 million in cash.

READ CLASSIFIEDS

IN-STORE FEEDERS

Shaping a new image—Pages 27-32

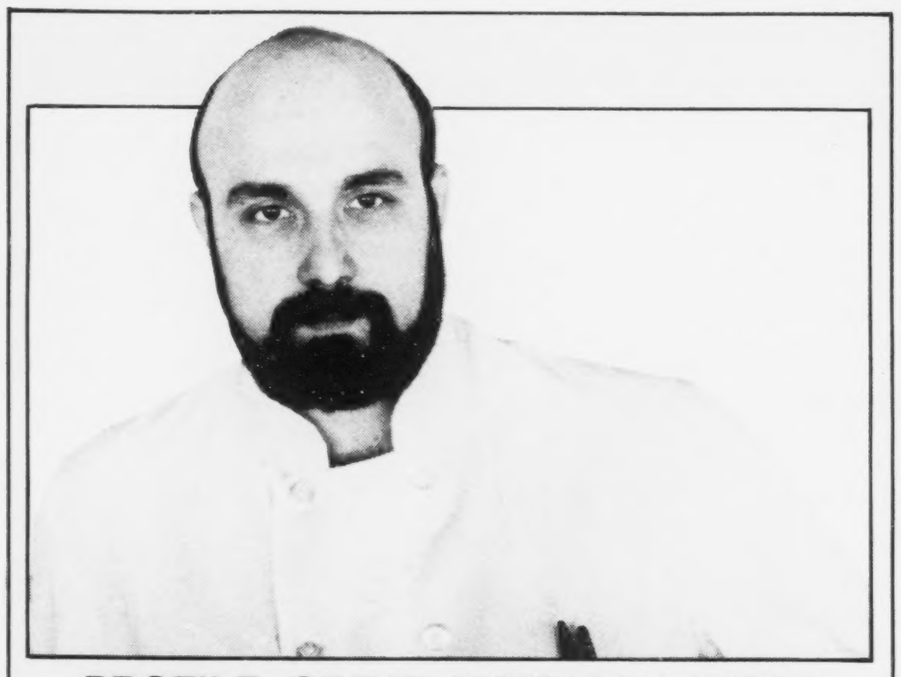
C5150-5 11/82

CONDE NATIONAL INFO SVC INC
JOHN-KEN SURVEY ACCT LC
WASHINGTON DC 20014

Nation's
Restaurant News

The Newspaper of the Food Service Industry

Vol. 16, No. 12 | Published every other Monday, 25 times a year, by Lebhar-Friedman Inc.; $2 a copy, $15 a year | June 7, 1982



PROFILE: GREAT AMERICAN CHEFS

Nation's Restaurant News **profiles chef Larry Forgione of the River Cafe as part of a continuing series on American-born chefs.** **Story on Page 40.**

Rib market potential draws a new surge of investment

By Susan Spedalle

As evidence mounts that a popular market for barbecued rib concepts exists, a second wave of rib restaurants is emerging.

Newcomers include the Oh!Brian's chain (Raleigh, N.C.) just sold to the holding company which owns Golden Corral steakhouses (story, page 2); Luther's (Lafayette, La.) bought by Chart House just over a year ago; Red River Rib Co. (Miami) started by the Hardwicke Corp.; Gabby's Barbecue and Hamburgers (Houston); H.I. Ribsters (King-Of-Prussia, Pa.) started by Gino's, now part of Marriott, and independents such as Mr. Clyde's (Miami).

Spurred by the acceptance of chains such as Tony Roma's (Miami), Bobby Rubino's (Fort Lauderdale), Rib-It (Philadelphia) and Carsons and Bones (both Chicago), the new chains are out after their own markets.

The rib concept has appeal to both the operator and the public.

By focusing on entrees and not serving desserts, rib operators are turning tables quickly. The average check of $6 to $10 is low, but volumes are high. A unit may cost up to $1 million to build, but tables turn swiftly enough that most concepts are recording average annual unit sales of at least $1 million.

Customers in the low and middle income range find the rib check to be lower than that of most upscale restaurants and therefore an inflation fighter.

The only deterrent to the barbecue rib concept right now is the cyclical and unknown direction of the pork market. Prices for pork have steadily increased since last winter and commodities experts say the result will probably be higher prices continuing through to this winter.

Among the most important

(Continued on page 67)

Outlook for summer season inspires optimism

By Joe Edwards

Recession-weary restaurant and hotel operators in and near domestic resorts and vacation meccas are gearing up for the summer season with high hopes pegged to the travel industry's forecasts for June, July and August.

One such forecast, released by the U.S. Travel Data Center, a Washington-based, nonprofit travel research organization, says vacation travel will increase 4% to 6% this year.

"Optimistic" is the word most used by travel researchers, industry observers, state and local tourism officials, and restaurant and hotel operators when asked how they feel about the chances for a strong summer season.

"The summer looks very good indeed," says Jack McBean, a spokesman for the New York City Convention and Visitors Bureau which expects 17 million tourists to visit the city this year, many of whom will arrive in July and August.

On Cape Cod in Massachusetts, a popular destination for vacationers from throughout the Northeast and Canada, Vincent Catania, owner of an inn and three family restaurants, expects business to be "at least equal to last summer's," which he called "very good."

A spokesman for the Massachusetts Restaurant Association said most operators in Cape Cod and other tourist spots are hopeful for a good summer season.

The Colorado Convention and Tourist Bureau, however, feels the recession in other parts of the country will stop some people from traveling to the Rocky Mountain state. They predict a flat year.

U.S. Travel Data Center, which bases its projections on monthly surveys of the travel and vacation intentions of 1,000 adults, says most regions of the

(Continued on page 67)

Neeb stepping down as Burger King ceo; Brinker to take over

MIAMI—After nearly two years of sometimes controversial helmsmanship at Burger King, Louis P. Neeb has resigned as chairman and chief executive officer of the 3,200-unit hamburger chain, effective June 1.

Norman Brinker will succeed Neeb in both posts at the Miami-based, wholly owned subsidiary of Pillsbury Co. Brinker was named president of Pillsbury's new restaurant group, which includes Steak & Ale and Poppin Fresh Pies, three months ago. A major Pillsbury stockholder, Brinker was the founder of Steak & Ale and later served as its chairman and chief executive.

The departure of Neeb, 43, had been rumored following top management changes at Burger King in April, when Jerry Ruenheck was appointed to the new post of president and chief operating officer and Jeffrey Campbell was named president of BK U.S.A., the chain's domestic arm. The changes left Neeb's future role with the company unclear, and thus raised speculation that he was on his way out.

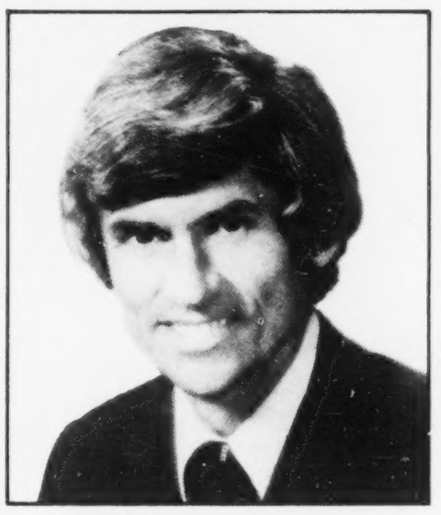
Although posting record sales and operating profits in fiscal 1981, Burger King's pace of new restaurant openings and sales growth has lagged behind some competitors'. Neeb, viewed by some as more a strategic planner than a hands-on executive, came in for his share of criticism, particularly for what some said was a lack of a clear-cut game plan for the world's second-largest restaurant chain.

In an interview following announcement of his resignation, Neeb denied published suggestions that he had been eased out, saying he had decided to leave the company some time ago. Neeb, who recently began reporting to Brinker instead of Winston Wallin, Pillsbury's president and chief operating officer, said he had "a part in convincing" Brinker to take over the restaurant group, and that he had told Brinker as early as March that "one of these days I'd like to do my own thing." He also said he helped plan the management changes after deciding to leave.

"I came here [to Burger King] reluctantly, but I feel good about where we are and where we're going," Neeb said.

The executive, who came to the restaurant business after

Norman Brinker



Louis P. Neeb

stints in Government service, said he would "take the time to explore what my options would be. I'm going to start looking at corporations that might be interested in turnaround situations." Neeb added he might

(Continued on page 67)

LATE NEWSBREAKS

McRib sandwiches have been added to menus in 2,000 domestic McDonald's in one of the fastest new product rollouts in the chain's history. The pressed pork sandwich, introduced in test units about a year ago, is performing "very strongly," a McD spokesman said. Chicken McNuggets, another new product, is now available in 3,400 units and will be in all domestic McDonald's by year end.

Dart & Kraft's food-service group said it will close a total of six distribution centers in Boston, New Orleans and Portland by the end of the month and will deliver its products in those areas through independent distributors.

Del Webb Corp. said it had agreed on the principal terms of an option to buy a half interest of Claridge Associates, its limited partner in Atlantic City's Claridge Hotel and Casino. The option price was put at $4.5 million. The Atlantic City hotel is valued at $165 million, a spokesman said.

Experimental concept

K mart joins pizza, video bandwagon

TROY, Mich.—K mart, the discount department store chain, is jumping onto the pizza-and-games bandwagon with two experimental Abra K Dabra units outside of St. Louis. *(For comments on video games in restaurants, see Editor's Corner, Page 8.)*

The 14,000-sq.-ft. stores are due to open in mid-June in closed supermarkets adjacent to existing K marts in Wood River, Ill., and Florissant, Mo.

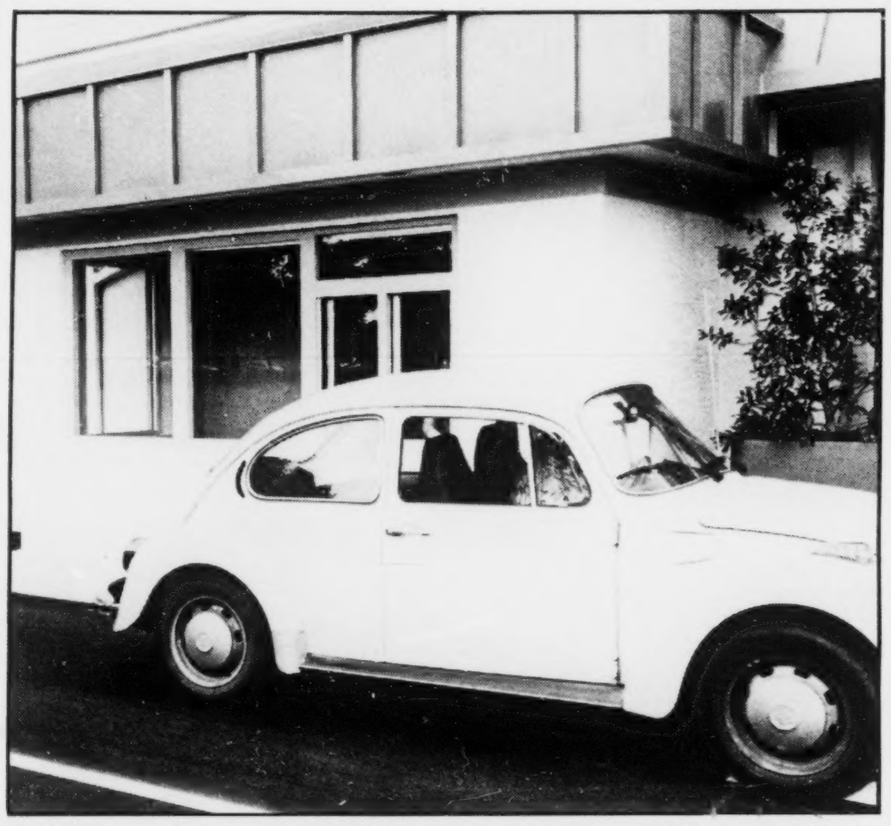
They will mainly serve pizza, with sandwiches, beer, wine and soft drinks, according to K mart spokesman Susan McKelvey.

The units will have 30 to 40 video games in one room, a children's playground in another, a piano bar for parents in a third room, and the dining room will feature a four- to seven-minute filmed magic show every 15 minutes, she said.

Abra K Dabras will also have the capability for live-performer magic shows, she said. The units will not be using computer-controlled robot performers.

Expansion, she said, will depend on performance. Furr's Cafeterias, a subsidiary of K mart, is not involved.

Take-out only units fill key role in urban areas



Walk-up and drive-thru only units provide a quicker return on investment for growth-minded fast feeders.

By Rurick Telberg

Fast-food chains continue to experiment with seatless take-out-only units but have withheld the full-speed-ahead command as the spiraling construction costs which first impelled their design start to flatten.

A number of chains are building the half-size restaurants in high-density urban areas where construction is still prohibitively expensive and in suburban locations where a full-size unit would cannibalize sales at existing units.

McDonald's has built eight "Mini-Macs," which are about 1,400 sq. ft. compared to the standard 3,400 sq. ft. Wendy's is planning two to four new ones by year's end. Burger King has built a handful but reportedly has no immediate plans for more.

"This gives us an opportunity to use some smaller sites that a normal restaurant could not fit into," said Steve Wolverton, a McDonald's franchisee who is building the chain's eighth "Mini-Mac" in Fort Lauderdale near his existing full-size McDonald's.

"We're thinking in terms of putting the units six, eight or nine blocks from current units," said Brian Padberg, Wendy's corporate communications vice president.

Padberg said the drive-thru only units would be sited in the "seams" between existing Wendy's to capture a larger share of the market. In addition, walk-up-only units are on tap for urban locations, he said.

Other chains experimenting with takeout-only units include Church's, Popeye's and Arby's. Some chains, particularly chicken and pizza chains, have had takeout-only units for years.

Although most chains are taking a wait-and-see attitude for the time being, the latest interest in takeout-only could trickle down to other, smaller chains and emerge as a significant industry development in the next few years—especially if building costs soar anew.

Goody's Golden Chicken, a New Orleans-based chain headed by former Popeye's executives, is building prefabricated restaurants without dining rooms.

Dining rooms double construction costs but provide only 20% to 30% of sales, according to Goody's vice president John Ervine. Takeout-only, he said, provides a quicker return on investment.

Church's builds almost exclusively takeout-only units in high-density urban neighborhoods. Bill Storm, Church's senior vice president for finance, said these stores can generate sales equal to sitdown units.

Church's will open three or four walkup counters in Chicago and Philadelphia this year,

(Continued on page 68)

Godfather's Pizza goes public

By Rurick Telberg

OMAHA—Godfather's Pizza Inc. went public this spring at a time when its systemwide sales reached $255 million and average annual unit sales approached $500,000.

"It was the right time in our development to go into the public markets," said Richard Jeffries, executive vice president and general counsel for the 700-unit, nine-year-old pizza chain.

The founding shareholders sold 1.5 million shares to raise about $13.5 million for themselves and about $4 million in offsetting taxes for the cash-rich company.

About 15% of the company was sold. Founder William Theisen, now chairman and president, retains 75% ownership after the initial public offering.

About a month after going to market Godfather's stock was trading at about $12 per share, up from the offering price of $9.75, Jeffries said.

Jeffries listed three "compelling" reasons for making the offering after nine months of testing the waters and preparing the paperwork.

"First, it's an equity vehicle we can share with our employees," he said. "It helps in recruiting. Sometimes it is hard to attract top people to Omaha.

"Second," he continued, "we wanted to do it a time when we didn't *need* to do it."

"And finally, it gives us a visibility we never had in the past," he said.

Jeffries denied that one reason may have been the initial public offering made last year by a franchisee.

The Godfather's Pizza network has grown from five restaurants in 1975 to almost 700 restaurants in 41 states. In the prospectus filed with the offering, the company anticipates that 250 new franchised units will open this year, with 250 more in 1983 and 250 in 1984.

The prospectus boasts, also, that Godfather's average unit sales are believed to be the highest in the chain pizza (without games) industry.

Last year, the chain's restaurants averaged $496,000 each in annual sales, with franchised restaurants scoring $502,000 per year.

Godfather's company-owned restaurants, however, scored $428,000 each, about the same as in 1979. Jeffries said that some 20 company units opened in Texas in 1980 were met by high personnel turnover as the company tried to expand too fast.

Godfather's reported profits of $1.4 million for the first quarter ended April 4, a 46% increase over the first quarter of last year which ended March 29, 1981.

Revenues were $9.4 million for the quarter ended in April, up 32% from the 1981 quarter ended in March.

Systemwide sales for the same period were $67.3 million, up 40% over the year-ago quarter.

Godfather's numbered 682 units as of April, up from 445 a year before.

For the last-completed fiscal year, ended Jan. 2, 1982, Godfather's reported profits of $5.4 million, compared to $2.4 million for the fiscal year ended Nov. 30, 1980.

Year-end revenues for the same two years went from $18.3 million to $35.5 million, the company said.

Systemwide sales for the year ended in January were $255 million with 582 franchised and 54 company units, the firm said.

Godfather's founder William Theisen retains 75% ownership.

In November 1980, the chain had systemwide sales of $143 million with 359 franchised and 35 company units, Godfather's Pizza reported.

Batchelder exits Hardee's to pursue other ventures

ROCKY MOUNT, N.C.—Bo Batchelder, Hardee's executive vice president for marketing, operations and development, has left the chain "to seek other opportunities" in the food-service field.

Batchelder joined Hardee's as marketing vice president five years ago after being a Hardee's franchisee for several years. He was later promoted to executive vice president for marketing. His duties were expanded last year when Roger Kisiel, operations and development executive vice president, left and later became Sambo's president and chief operating officer.

"I have greatly enjoyed my relationship with Hardee's and with Jack Laughery [chairman and president]," declared Batchelder, 37. "I simply reached the conclusion that it was time to move on to something on my own."

Batchelder continues to reside here and to explore opportunities mainly in the Southeast.

Oh!Brian's sold to Golden Corral parent

By Susan Spedalle

RALEIGH, N.C.—Oh!Brian's, a group of seven barbecued rib restaurants developed by the Allentown, Pa.-based Aspen Group, has been sold.

Six of the restaurants, all based in North Carolina, went to a holding company that owns Golden Corral steakhouses and to certain individuals also connected with Golden Corral.

The seventh, in Pennsylvania, was sold to former Aspen Group executive Kerry Lohrman.

No sale terms were divulged.

The six North Carolina restaurants will now constitute Oh!Brian's Corp., operating as a subsidiary of Investors Management Corp., Golden Corral's parent.

Golden Corral development vice president G. William Adkins will be Oh!Brian's Corp. president.

The Oh!Brian's concept was started in August 1980 by entrepreneur Brian Lechner with funds from the financially successful three-unit chain of Aspen Inns. Six months before he died in an auto accident, Lechner opened the first Oh!Brian's barbecue restaurant in Winston-Salem, N.C., as the prototype for "a rib restaurant capable of rapid, multiunit growth," says ex-ceo Kerry Lohrman who joined the Aspen Group as a manager and worked his way up to vice president of operations and finally controller. When Lechner died, his widow (who had no desire to run the company) appointed Lohrman ceo and asked him to proceed with attempts to divest the company of the seven profitable barbecue rib restaurants.

The Investment Management Corp. (IMC) bought six of the seven units, all located in North Carolina. The seventh one, in Pennsylvania, was sold to Lohrman by Kimberly Lechner.

Although the amount of the sale is undisclosed, Lohrman described it as "generous." He also said that IMC is trying to keep the Oh!Brian's restaurants separate from the Golden Corral restaurants, but in actuality the healthy Golden Corral chain is expected to fuel the unfulfilled dreams of expansion that once motivated Brian Lechner. At Golden Corral headquarters on Glenwood Avenue in Raleigh, Investors Management Corp., Golden Corral and the new Oh!Brian's Corp. are all under the same roof.

Over the past three years the

(Continued on page 68)

HIGHLIGHTS IN THIS ISSUE

8 The video game wave—will it deluge the food-service business? Editor Charles Bernstein urges that a balance be struck.

11 Video games again, as Warner Communications tests a new concept that allows patrons to play.

13 Finding an award-winning restaurant in a chain hotel is rare, but Atlanta's Omni International hotel has a pair of them.

19 Seattle's tough liquor laws haven't stopped one group of area restaurant bars from doing a handsome business. Columnist Mort Hochstein tells how.

20 NRA staff chief Bob Neville, profiled in this issue, admits his Marine training didn't prepare him for everything he'll face in Washington.

37 There's nothing trendy about Atlanta's popular Mary Mac's, a 20-year institution of old-style Southern cooking.

39 From Wyoming, Taco John's is looking to the East for new franchises and it's first national advertising program.

49 It may be located in Grand Central Station, but the Oyster Bar and Restaurant doesn't need to depend on commuters for its booming business.

REGULAR FEATURES

Financial ..... *Pp. 4, 6*
Opinion ..... *P. 8*
People ..... *Pp. 24, 25*
New Products .. *Pp. 56, 57*
Classifieds .... *Pp. 58-66*

NATION's RESTAURANT NEWS
(ISSN 0028-0518)
Published by Lebhar-Friedman Inc.
425 Park Ave., New York, N.Y. 10022
All Correspondence to:
Editorial Offices:
425 Park Ave., New York, N.Y. 10022
Telephone: 371-9400
Cable: LEBHAFRIED

Published biweekly—every other Monday, monthly in December. Subscription rate $15 a year, $28 for two years. Single copy rate $2. Outside U.S.A.: Canada, $16 a year, $30 for two years; Foreign subscriptions (air mail only) $100 per year. Second class postage paid at New York, N.Y., and additional mailing offices.

Copyright© 1982 by Lebhar-Friedman Inc. All rights reserved. POSTMASTER: Send change of address to Subscription Department, Nation's Restaurant News, 99 Park Ave., New York, N.Y. 10016.

For change of address, six weeks notice to Subscription Dept., 99 Park Ave., New York, N.Y. 10016 is requested. Give old and new address and zip code. If possible, enclose address portion from cover on previous issue.

Vol. 16, No. 12 June 7, 1982

FINANCIAL NEWS

Food-service chain stock analysis table

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		Two Weeks Ended May 21							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change		5-Year Annual Growth Rate	Profit Margin							Last Fiscal Year (Per Share)		
					Change		52-Week						Last Fiscal Year					Latest P/E Ratio	Indicated Dvd Rate		Last X-Dvd Date	Last Fiscal Year		Current Ratio	Long Term Debt	Common Stock Equity	Last Balance Sheet Date
Name	Symbol	High	Low	Close	Amt	Pct	High	Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days		Amt	Pct				Amt	Yield		Revenue	Earnings				
—	—	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil.	$ Mil.	—	$	$	—
Aca Los A Res	ALAR	5.88	5.50	5.50	-.38	-6.38	10.63	3.50	.76	-.67	-2.67	-31.74	.47	-.21 Q	-50.0	6.0	4.3	26.2	.00	.0	01-06-81	27.7	1.2	2.4	5.7	3	1081
Am Motor Inns	INN	20.88	17.50	19.50	2.00	11.43	21.88	10.00	.28	-.17	4.61	-27.53	1.66	.36 S	24.8	34.0	6.3	10.8	.22	1.1	01-26-82	142.3	8.9	1.5	15.6	11	0781
ARA Services	ARA	28.38	26.75	27.63	.63	2.31	36.00	23.50	.32	.96	-.15	-36.71	4.00	-1.13 S	-22.7	-1.0	1.5	7.2	2.00	7.2	05-25-82	2915.9	45.1	1.2	21.0	44	0981
Assoc Hosts	AHST	6.38	5.75	5.75	-.63	-9.80	8.63	4.88	-.20	-1.60	2.58	3.01	.66	.13 S	22.0	-8.0	2.6	8.0	.12	2.1	03-02-82	79.9	2.1	1.5	6.4	7	0981
Beefstk Char	BSCC	6.38	6.00	6.13	-.25	-3.92	6.50	2.88	.40	.47	1.52	-3.42	.62	.16 Q	32.6	32.0	2.4	9.4	.00	.0	00-00-00	86.2	2.1	1.2	1.5	3	1081
Bob Evans Farms	BOBE	25.00	24.75	24.75	-.50	-1.98	27.00	17.75	-.39	.26	-2.59	-28.26	1.40	.19 N	13.5	26.0	8.0	15.6	.40	1.6	05-10-82	147.0	11.8	1.9	.0	6	0481
Bonanza Intl Inc	BNZA	2.38	1.75	1.88	.25	15.38	6.88	1.06	1.09	-5.67	3.96	-40.98	-3.33	-3.32 Q	NC	-67.0	-61.8	NE	.00	.0	00-00-00	24.1	-14.9	1.2	11.2	2	1281
Brock Hotel Cp	BHC	17.25	15.38	15.50	-1.75	-10.14	17.50	9.88	.34	-.52	2.11	40.05	.59	.33 Q	103.1	24.0	4.3	23.8	.10	.6	03-08-82	165.1	7.1	1.2	11.0	4	1281
Calny Food	CLNY	7.75	7.75	7.75	-.50	-6.06	10.34	7.16	-.22	.45	-2.40	-53.33	.90	-.19 N	-16.6	7.0	2.2	8.2	.20	2.6	04-29-82	41.7	.9	.4	9.6	4	0281
Carrols Develop	CRL	6.13	5.75	5.88	-.13	-2.08	7.63	3.97	.55	-.16	-2.65	-61.67	.86	.72 N	163.6	35.0	2.4	5.1	.09	1.5	12-24-81	75.6	1.8	.7	10.1	5	0581
Chart House	CHHO	21.25	19.88	20.13	-1.38	-6.40	22.88	15.25	-.18	-.69	.14	-12.49	2.03	.27 Q	15.2	14.0	5.0	9.9	.60	3.0	03-22-82	353.9	17.7	.9	14.5	10	1281
Chi-Chis	CHIC	24.75	23.88	24.13	-.88	-3.50	27.25	15.13	.18	.61	-1.94	-8.96	.46	.33 N	94.2	35.0	14.1	35.5	.00	.0	06-02-81	14.9	2.1	3.1	1.7	2	0481
Ch Full O Nut	CHF	14.13	13.38	13.75	-.13	-.90	14.38	9.00	.35	.27	-5.44	-18.12	.66	-.36 S	-42.8	24.0	2.7	28.6	.40	2.9	12-14-81	118.7	3.2	3.4	.8	5	0781
Churchs Fr Ch	CHU	32.50	29.13	29.75	-2.50	-7.75	37.38	25.00	-.20	-.70	.49	71.61	3.52	.34 Q	10.8	18.0	10.8	8.5	1.00	3.4	04-26-82	412.1	44.6	1.9	1.0	15	1281
Cindys Inc	CNDYC	3.13	2.88	3.00	.13	4.35	3.63	2.50	-.09	.11	.98	-68.78	-1.43	-1.09 F	NE	NE	-17.3	NE	.00	.0	00-00-00	16.8	-2.9	.0	6.2	0	1280
Collins Foods	CF	17.25	15.63	15.75	-.25	-1.56	17.25	10.31	.48	-.27	-1.17	-22.45	1.56	.63 N	41.4	13.0	2.8	7.3	.24	1.5	03-25-82	265.2	7.5	1.4	10.6	13	0481
Consul Corp	CNSL	7.13	6.88	6.88	-.13	-1.79	10.13	5.25	-.13	.13	-.45	10.21	-.08	.12 S	NC	NE	-1.5	57.3	.00	.0	00-00-00	6.8	-.1	.8	.6	1	0681
Cracker Barrel	CBRL	11.00	9.75	10.00	-.75	-6.98	11.00	7.25	.64	-1.06	-.59	28.74	1.00	1.01 S	NC	21.0	3.2	9.9	.00	.0	00-00-00	28.5	.9	1.0	5.4	3	0781
Dennys Inc	DEN	25.25	22.50	23.38	-1.88	-7.43	26.75	14.75	-.07	-.61	-.89	5.74	1.97	.77 N	49.6	6.0	3.2	10.1	.64	2.7	06-04-82	840.7	26.9	1.5	16.0	13	0681
Dunkin Donuts	DUNK	16.25	16.13	16.13	-.38	-2.27	18.25	11.13	.01	.47	-2.39	-25.82	1.82	.28 Q	17.3	19.0	8.3	8.5	.30	1.9	02-05-82	68.7	5.7	1.3	11.4	11	1081
Frischs	FRS	10.25	9.25	9.38	-.63	-6.25	10.50	5.78	.11	.84	-5.42	-40.00	1.39	.70 S	63.0	14.0	3.0	5.2	.30	3.2	03-30-82	97.0	2.9	1.2	7.2	13	0581
Hambrg Hamlet	HAMB	5.00	5.00	5.00	.00	.00	8.25	5.00	-.04	.50	-10.83	.00	.27	-.15 S	-19.7	-24.0	.7	8.2	.00	.0	00-00-00	28.4	.2	.9	20.9	12	0381
Hardwicke	HAWK	2.50	2.00	2.00	-.50	-20.00	6.50	2.00	1.14	-3.61	11.54	73.13	-2.22	-3.88 S	NC	-62.0	-11.4	NE	.00	.0	00-00-00	30.6	-3.5	1.4	18.4	8	0981
Hilton Hotels	HLT	38.88	36.63	38.00	-.25	-.65	52.25	32.00	.00	.52	-.71	-26.03	4.22	-.04 Q	-.9	25.0	20.9	9.5	1.80	4.7	05-28-82	539.3	112.6	2.0	4.5	20	1281
Holiday Inns	HIA	29.25	25.88	26.88	-2.13	-7.33	33.25	21.88	.05	-.28	1.25	12.40	3.66	1.12 Q	42.4	26.0	7.8	7.1	.80	3.0	03-15-82	1765.1	137.4	.8	21.0	25	1281
Holiday Inns A	HIA A	42.00	39.00	39.00	-4.00	-9.30	48.75	33.00	-.02	-1.00	5.44	.00	NA	NA	NA	NA	NA	NA	.00	.0	00-00-00	NA	NA	NA	NA	NA	NA
Horn & Hardart	HOR	17.25	15.75	17.25	.50	2.99	17.38	7.28	-.02	.78	-3.51	-24.34	1.05	.13 Q	14.6	30.0	2.7	16.9	.00	.0	01-11-82	128.2	4.0	1.8	15.4	6	1280
Hungry Tiger	HTIG	8.75	8.25	8.50	.25	3.03	9.38	6.00	.75	-.47	4.10	38.00	.92	.14 S	16.6	42.0	3.2	8.7	.00	.0	08-24-81	49.9	1.6	.8	5.8	4	0681
Imperial Grp	IMT	1.75	1.63	1.69	.00	.00	1.81	1.06	.08	.76	-.74	2.78	.62	-.15 S	-21.1	28.0	2.1	3.0	.14	8.3	02-24-82	8700.9	178.4	.9	.8	3	1080
Intl Dairy Queen	INDQ	11.75	11.50	11.50	.00	.00	13.25	9.25	.13	.65	-3.46	72.83	1.72	.23 Q	15.7	38.0	6.1	6.8	.00	.0	00-00-00	91.3	5.6	1.1	9.7	6	1181
Int King Tab	IKNG	3.50	3.00	3.38	.25	8.00	3.50	1.75	1.04	1.59	-.51	-18.44	-.65	.19 S	NE	-43.0	-3.1	NE	.00	.0	10-09-79	32.0	-1.0	.3	5.4	3	0681
JBs Rest	JBBB	7.25	6.88	6.88	.00	.00	7.25	2.88	.54	-.75	-6.43	-31.84	.63	.31 S	75.6	-1.0	3.0	9.5	.16	2.3	05-10-82	36.4	1.1	.9	5.2	5	0981
Jerrico Inc	JERR	20.63	18.75	20.25	1.25	6.58	27.63	15.63	-.24	-.05	2.85	-52.68	1.70	.27 N	17.1	22.0	5.6	11.0	.12	.6	02-01-82	378.2	21.0	1.1	3.7	10	0681
Kapok Tr Inns	KTI	4.00	3.75	3.75	-.25	-6.25	4.38	3.38	.14	.08	5.83	45.76	-.24	-.46 S	-575.0	-33.0	-2.9	NE	.00	.0	00-00-00	13.8	-.4	3.1	1.9	6	0981
Kelly Johnston	KEJO	19.00	18.00	18.50	-.50	-2.63	19.00	10.75	.39	.19	2.54	17.93	.89	.89 F	NC	126.0	8.1	20.8	.00	.0	00-00-00	11.9	.7	.4	.8	1	0381
Lubys Cafe	LUB	32.00	28.88	29.38	-1.00	-3.29	32.00	23.50	.42	-.86	-4.09	-21.64	1.45	.25 S	18.9	23.0	9.1	18.7	.48	1.6	06-07-82	108.2	9.8	1.1	.9	6	0881
Marcus Corp	MRCS	6.75	5.75	6.13	.38	6.52	7.28	5.00	.51	-1.35	-6.07	-4.17	1.15	.04 N	3.5	7.0	5.8	5.3	.00	.0	08-24-81	105.3	6.1	.8	2.9	9	0581
Marriott Corp	MHS	40.25	38.25	38.50	-1.00	-2.53	47.00	31.63	-.02	-.48	-3.08	-1.12	3.20	.55 Q	20.0	31.0	4.3	11.7	.30	.8	06-21-82	2000.3	86.1	.9	23.2	16	1281
McDonalds Cp	MCD	67.13	64.63	66.25	-.75	-1.12	72.88	56.75	-.24	.68	1.29	4.16	6.54	1.01 Q	17.6	18.0	10.5	9.9	1.20	1.8	05-24-82	2184.3	220.9	.7	24.2	28	1280
Morrison Inc	MORR	11.50	11.38	11.38	-.13	-1.09	12.00	8.13	.12	.44	-3.13	-4.08	.95	.15 N	16.6	7.0	3.9	10.8	.36	3.2	04-12-82	319.8	12.4	1.3	2.7	7	0581
Mr Steak	MSST	3.13	2.38	2.38	-.75	-24.00	4.13	2.13	.16	-1.15	2.05	15.37	.22	.10 Q	76.9	-26.0	.5	10.3	.02	.8	05-29-80	55.7	.3	1.4	3.4	5	0981
Nathans Famous	NATH	1.06	1.00	1.06	.06	6.25	1.88	.63	.01	2.45	5.24	77.05	-.87	-.42 N	NE	NE	-7.9	NE	.00	.0	00-00-00	21.5	-1.7	.4	.2	2	0381
Oakbrook Cons	OKCO	9.25	9.25	9.25	.00	.00	12.00	9.00	.09	.44	-1.70	-71.43	1.74	.04 Q	2.5	13.0	1.3	5.7	.32	3.5	03-11-82	133.4	1.7	.8	5.6	13	0981
Orange-co	OJ	8.50	7.63	7.63	-.63	-7.58	11.38	6.88	-.28	-.68	-1.19	7.89	1.01	.12 S	13.4	25.0	5.4	7.5	.20	2.6	02-22-82	76.2	4.1	1.9	10.2	7	0881
Piccadilly Caf	PICC	17.63	15.63	15.63	-2.13	-11.97	19.00	13.50	-.23	-1.20	-1.07	33.59	1.30	.14 N	10.7	15.0	6.1	10.9	.48	3.1	03-09-82	127.2	7.8	1.7	.0	6	0681
Pizza Inn	PZA	6.13	5.13	5.25	-.88	-14.29	11.50	4.75	.12	-1.59	-1.06	23.67	.50	-.02 Q	-3.5	-6.0	1.0	9.5	.00	.0	00-00-00	133.5	1.4	.9	12.9	7	1281
Pizza Time Thea	CHKY	32.50	28.50	30.75	-1.25	-3.91	32.50	18.00	.68	.27	1.12	6.53	.58	.54 F	350.0	81.0	7.2	53.0	.00	.0	00-00-00	11.4	.1	1.3	.4	1	1280
Ponderosa Sys	PON	17.25	15.75	15.88	-.63	-3.79	19.75	11.75	.37	-.19	.89	11.66	2.01	1.42 F	240.6	8.0	2.4	7.9	.40	2.5	06-11-82	329.6	2.6	.8	22.3	15	0281
Ramada Inns	RAM	5.63	5.25	5.25	-.25	-4.55	12.50	5.00	.22	-.46	-1.52	-2.45	.05	-.48 F	-90.5	-15.0	.4	105.0	.12	2.3	10-19-81	395.5	1.4	.6	19.0	6	1281
Restaur Assc	RA	5.00	4.63	4.63	-.38	-7.50	8.25	4.00	.02	-.66	-2.48	-65.56	.97	-.14 Q	-15.3	51.0	2.4	6.0	.00	.0	00-00-00	99.2	2.4	1.3	3.2	6	1281
Saga Corp	SGA	27.88	24.63	25.63	-2.38	-8.48	29.25	16.00	.06	-.12	-3.08	-4.00	2.36	1.07 N	49.7	18.0	1.4	8.0	.56	2.2	05-17-82	819.0	11.6	.9	9.3	15	0681
Sea Galley	SEAG	10.63	9.63	9.63	-.38	-3.75	17.88	6.88	.21	-.83	3.00	-21.90	.68	.08 Q	13.5	55.0	4.5	14.4	.00	.0	06-02-81	22.9	1.3	1.6	2.3	2	1280
Servico Inc	SRVI	10.00	9.25	9.25	-.75	-7.50	13.00	7.00	.03	-1.65	-4.28	-9.52	1.69	-.51 Q	-30.9	78.0	3.5	8.1	.00	.0	00-00-00	114.4	2.9	1.0	50.1	4	1280
Shoneys Inc	SHON	18.25	17.25	17.50	.13	.72	18.25	11.91	.38	.41	-2.57	18.41	1.03	.24 Q	27.2	21.0	5.5	15.6	.16	.9	03-29-82	269.4	14.8	1.0	2.0	5	1081
Sonesta Hotel	SNSTZ	9.50	8.50	9.50	-1.00	-9.52	13.66	8.50	-.60	.43	3.11	-84.62	.94	-1.30 F	-58.0	64.0	1.4	10.1	.20	2.1	12-28-81	145.0	2.1	.9	27.7	10	1281
Steak n Shake	STAK	2.63	2.50	2.63	.13	5.00	3.13	2.38	-.39	.85	2.06	-30.00	.06	-.23 S	-79.3	-34.0	.5	43.8	.00	.0	05-17-79	56.5	.3	1.2	4.6	3	0981
Valles Steak	VLE	6.00	5.50	5.75	.25	4.55	7.13	4.25	.50	.27	.13	-65.28	-.22	.18 S	NE	-23.0	-.9	143.8	.00	.0	11-01-78	65.6	-.6	1.3	7.8	10	0381
Victoria Stations	VSTA	10.38	10.00	10.00	-.38	-3.61	11.25	6.25	-.08	.19	.54	-26.63	-1.85	2.11 N	NE	-32.0	-4.3	83.3	.00	.0	09-19-79	134.5	-5.8	1.0	9.0	10	0381
Wendys Intl	WEN	17.00	15.13	15.50	-.63	-3.88	19.25	12.25	-.14	-.28	-2.75	4.32	1.52	.14 Q	10.0	18.0	7.5	10.1	.28	1.8	05-11-82	347.0	30.1	.5	1.9	6	1280
Webb Del E	WBB	7.75	7.00	7.13	-.25	-3.39	13.00	4.88	-.23	-.56	1.14	-22.72	.56	.14 F	33.3	-13.0	1.3	12.7	.00	.0	11-07-80	414.8	5.3	1.1	16.1	13	1281

KEY: NA—Not Applicable NC—Not Calculable NE—Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year
** Other than a quarterly multiple resulting from a fiscal year change.*

Data and Table Provided by Media General Financial Services, Inc., Richmond, VA 23261

New beverage-container plan favors industry

WASHINGTON—Agriculture Department officials outlined a compromise Federal beverage container policy that appears to resolve most of the food-service industry's concerns over proposals to require deposits on all bottles and cans.

Unlike pending Federal legislation which would outlaw the sale of "throwaway" beverage containers by imposing a mandatory 5¢-to-10¢ deposit on cans and bottles, the new U.S.D.A. approach would sidestep restaurants and other beverage retailers altogether.

Instead, brewers and bottlers would be charged a fee for each container sold and the resulting revenues would be used to "buy back the empties using regular trash recycling channels."

These container fees could vary from 1¢ to 3¢ "depending on the scrap value of the empty containers," U.S.D.A. researchers said. "Redemption centers have already been established in many areas for aluminum cans, and firms would begin to buy other types of containers as well if the empties had a comparable market value."

For food retailers and food-service operators that sell carryout beer and soft drinks the major objection to mandatory container deposit laws is the recycling nightmare that would result. In addition to massive handling costs associated with redeeming returned bottles and cans, restaurant operators fear that stockpiles of potentially contaminated containers would create serious sanitation problems.

Besides eliminating these concerns altogether, the U.S.D.A. approach would also reduce the risk of a sharp drop in consumer demand for beer and soft drinks because of higher prices. Studies in Michigan and other states which have enacted mandatory deposit laws of their own have found that consumer prices for beverages have climbed sharply following the adoption of such requirements.

"Compared to mandatory deposit laws, such a [container fee] program probably would lower prices consumers pay for beverages since recycling through normal trash handling channels appears to be more efficient than having food marketing firms handle and dispose of the empties," U.S.D.A. officials said.

Interest in this approach to recycling beverage containers is not limited to the Agriculture Department. A similar plan has also been advanced by the Congressional Office of Technology Assessment as a means of reducing litter without resorting to mandatory deposits.

Rather than imposing the container fees on bottlers and brewers, however, O.T.A. suggested assessing fees directly on container manufacturers.

Although both the U.S.D.A. proposal and the O.T.A. plan appear far more palatable to the food-service industry than pending Federal deposit requirements, time may be running out on compromise.

Laws mandating minimum deposits on beer, soft drink and other beverage containers have already taken effect in six states (Connecticut, Iowa, Maine, Michigan, Oregon and Vermont), and similar throwaway bottle bans are scheduled to become law in Delaware and Massachusetts within the next few months.

According to U.S.D.A. researchers, additional container deposit laws came under consideration in another 30 states last year alone, and "pressures for legislation will likely remain strong until the litter issue is satisfactorily resolved."